



DOUGLAS A. DUCEY
GOVERNOR

STATE OF ARIZONA
OFFICE OF THE GOVERNOR

EXECUTIVE OFFICE

April 11, 2019

The Honorable Katie Hobbs
Secretary of State
1700 W. Washington, 7th Floor
Phoenix, AZ 85007

Dear Secretary Hobbs:

I am transmitting to you the following bills from the Fifty-fourth Legislature, 1st Regular Session, which I signed on April 11th, 2019:

H.B. 2008 duty to report; supervisor; administrator (Kavanagh)
H.B. 2053 competency evaluations; reports (J. Allen)
H.B. 2092 health care directives; definitions (Grantham)
H.B. 2107 municipalities; parking; public vehicles (Grantham)
H.B. 2137 workers' compensation; excess insurance policies (Biasiucci)
H.B. 2166 insurance; cost-sharing; calculation (Barto)
H.B. 2229 cable licensing; video service providers (J. Allen)
H.B. 2272 G&F; resident; definition (Dunn)
H.B. 2487 state veterans' homes (Lawrence)
H.B. 2695 funds; repeal (Udall)
H.B. 2721 town elected officials; term limits (Lawrence)
S.B. 1077 emergency medical services council; continuation (Brophy-McGee)
S.B. 1142 trust land fund monies; distributions (D. Farnsworth)
S.B. 1170 nonprescription drug permits; repeal (Carter)
S.B. 1184 schools; economics; personal financial management (S. Allen)
S.B. 1256 school districts; procurement practices; auditors (Gray)
S.B. 1346 school; assessments; instruction; reporting (S. Allen)

Sincerely,

Douglas A. Ducey
Governor
State of Arizona

cc: Senate Secretary

Chief Clerk of the House of Representatives
Arizona News Service

Senate Engrossed
FILED
KATIE HOBBS
SECRETARY OF STATE

State of Arizona
Senate
Fifty-fourth Legislature
First Regular Session
2019

CHAPTER 83
SENATE BILL 1170

AN ACT

AMENDING SECTIONS 32-1930 AND 32-1931, ARIZONA REVISED STATUTES; RELATING
TO THE ARIZONA STATE BOARD OF PHARMACY.

(TEXT OF BILL BEGINS ON NEXT PAGE)

Be it enacted by the Legislature of the State of Arizona:

Section 1. Section 32-1930, Arizona Revised Statutes, is amended to read:

32-1930. Types of permits; restrictions on permits; discontinuance of pharmacy permit

A. On application, the board may issue the following classes or kinds of permits:

~~1. A nonprescription drug permit to sell, retail, stock, expose or offer for sale at retail nonprescription drugs in the original package. A permittee is not required to conduct business in any fixed place.~~

~~2.~~ 1. If approved by the board, a pharmacy, limited service pharmacy, automated prescription-dispensing kiosk, full service wholesale drug, third-party logistics provider, nonprescription drug wholesale and drug manufacturer's permit.

~~3.~~ 2. Drug packager or drug prepacker permit to an individual or establishment that is currently listed by the United States ~~federal~~ food and drug administration and has met the requirements of that agency to purchase, repackage, relabel or otherwise alter the manufacturer's original package of an approved drug product with the intent of reselling these items to persons or businesses authorized to possess or resell the repackaged, prepackaged or relabeled drug.

~~4.~~ 3. A compressed medical gas distributor permit and a durable medical equipment and compressed medical gas supplier permit.

B. The board shall deny or revoke a pharmacy permit if a medical practitioner receives compensation, either directly or indirectly, from a pharmacy as a result of the practitioner's prescription orders. This does not include compensation to a medical practitioner who is the owner of a building where space is leased to a pharmacy at the prevailing rate, not resulting in a rebate to the medical practitioner.

C. If a pharmacy permanently discontinues operation, the permittee shall immediately surrender the permit to the executive director. The permittee shall remove all drug signs and symbols, either within or without the premises, and shall remove or destroy all drugs, devices, poisons and hazardous substances.

D. An automated prescription-dispensing kiosk may not contain or dispense a controlled substance as defined in section 36-2501 and the controlled substances act (P.L. 91-513; 84 Stat. 1242; 21 United States Code section 802).

Sec. 2. Section 32-1931, Arizona Revised Statutes, is amended to read:

32-1931. Permit fees; issuance; expiration; renewals; online profiles

A. The board shall assign the permit of all persons or firms issued under this chapter to one of two permit renewal groups. Except as provided in section 32-4301, a holder of a permit designated in the

1 licensing database as even by way of verbiage or numerical value shall
2 renew it biennially on or before November 1 of the even-numbered year, two
3 years from the last renewal date. Except as provided in section 32-4301,
4 a holder of a permit designated in the licensing database as odd by way of
5 verbiage or numerical value shall renew it biennially on or before
6 November 1 of the odd-numbered year, two years from the last renewal
7 date. Failure to renew and pay all required fees on or before November 1
8 of the year in which the renewal is due suspends the permit. The board
9 shall vacate a suspension when the permittee pays penalties of not to
10 exceed ~~three hundred fifty dollars~~ \$350 and all past due fees. The board
11 may waive collection of a fee or penalty due after suspension under
12 conditions established by a majority of the board.

13 B. Permit fees that are designated to be not more than a maximum
14 amount shall be set by the board for the following two fiscal years
15 beginning November 1. The board shall establish the fees approximately
16 proportionate to the maximum fee allowed to cover the board's anticipated
17 expenditures for the following two fiscal years. Variation in a fee is
18 not effective except at the expiration date of the permit.

19 C. Applications for permits shall be accompanied by the following
20 biennial fees as determined by subsection B of this section:

21 ~~1. A nonprescription drug permit, not more than two hundred~~
22 ~~dollars. Permittees stocking thirty different nonprescription drug~~
23 ~~products or less shall be classified as category I retailers. Permittees~~
24 ~~stocking more than thirty different nonprescription drug products shall be~~
25 ~~classified as category II retailers. Both categories are subject to~~
26 ~~biennial permit fees established by the board pursuant to this chapter.~~

27 ~~2.~~ 1. A drug manufacturer's permit, not more than ~~one thousand~~
28 ~~dollars~~ \$1,000.

29 ~~3.~~ 2. A pharmacy permit, not more than ~~five hundred dollars~~ \$500.

30 ~~4.~~ 3. A limited service pharmacy permit or an automated
31 prescription-dispensing kiosk permit, not more than ~~five hundred dollars~~
32 ~~\$500.~~

33 ~~5.~~ 4. A full service wholesale drug permit or a third-party
34 logistics provider permit, not more than ~~one thousand dollars~~ \$1,000.

35 ~~6.~~ 5. A nonprescription drug wholesale permit, not more than ~~five~~
36 ~~hundred dollars~~ \$500.

37 ~~7.~~ 6. A drug repackager's permit, not more than ~~one thousand~~
38 ~~dollars~~ \$1,000.

39 ~~8.~~ 7. A compressed medical gas distributor permit, not more than
40 ~~two hundred dollars~~ \$200.

41 ~~9.~~ 8. A durable medical equipment and compressed medical gas
42 supplier permit, not more than ~~one hundred dollars~~ \$100.

43 D. If an applicant is found to be satisfactory to the board, the
44 executive director shall issue to the applicant a permit for each
45 pharmacy, manufacturer, wholesaler or other place of business in which

1 drugs are sold, manufactured, compounded, dispensed, stocked, exposed or
2 offered for sale, for which application is made.

3 E. Permits issued under this section are not transferable.

4 F. If a permittee does not apply for renewal, the permit expires
5 pursuant to subsection A of this section. A person may activate and renew
6 an expired permit by filing the required application and fee. Renewal
7 thirty days after the expiration date of a permit may be made only on
8 payment of the required biennial renewal fee, all past due fees and a
9 penalty of one-half of the amount of the applicable biennial renewal fee.
10 The board may waive the collection of a fee or penalty due after
11 suspension pursuant to conditions prescribed by the board.

12 G. A permittee shall create an online profile using the board's
13 licensing software.

APPROVED BY THE GOVERNOR APRIL 11, 2019.

FILED IN THE OFFICE OF THE SECRETARY OF STATE APRIL 11, 2019.

Passed the House April 8, 20 19,

by the following vote: 58 Ayes,

0 Nays, 2 Not Voting

Boomer
Speaker of the House

Jim Duke
Chief Clerk of the House

Passed the Senate February 21, 20 19,

by the following vote: 30 Ayes,

0 Nays, 0 Not Voting

Karen Farn
President of the Senate

Susan Arnes
Secretary of the Senate

EXECUTIVE DEPARTMENT OF ARIZONA
OFFICE OF GOVERNOR

This Bill was received by the Governor this

9 day of April, 20 19,

at 1:54 o'clock P M.

Samuel Ce
Secretary to the Governor

Approved this 11th day of

April, 20 19,

at 10:14 o'clock A M.

Janet de la Cruz
Governor of Arizona

S.B. 1170

EXECUTIVE DEPARTMENT OF ARIZONA
OFFICE OF SECRETARY OF STATE

This Bill was received by the Secretary of State

this 11 day of April, 20 19,

at 4:55 o'clock P M.

[Signature]
Secretary of State